

## Town of Newstead – Budget Message for 2014

The budget for 2014 has been very difficult to work on. The state 2% cap, which this year is only 1.67% continues to present interesting challenges capping spending by towns, while mandates from the state and other entities continue to increase more than 2 %. The following is repeated information on the Tax Cap. The tax cap is not a cap on the tax payer's taxes. It is a cap law that establishes a limit on the annual growth of property taxes levied by local governments to 2% or the rate of inflation, whichever is less. It can be overridden by a 60% vote from the town board for any given year. There are several exclusions provided to the town governments in the formation of the cap figures. Newstead pension costs will be 20.1% increase. And no consideration is given for insurance increases, which will be well above the 2% figure.

As required by Town Law the "Tentative Budget" for 2014 has been prepared by the Town Supervisor. It is submitted to the town board, citizens and taxpayers for review, consideration and resident input. A public hearing will be held in October for official input. The town board has the final vote on passing the preliminary budget in November, and may change portions of the budget as presented here after the public hearing.

The Town of Newstead is blessed to be in sound financial condition. Our facilities and infrastructure continue to be upgraded. Grant and partnerships continue to be pursued to help offset costs of various upgrades. The town tax is a small percentage of one's total taxes. The town has no control over village, county or school taxes. The Town of Newstead taxes are under 10% of your total tax bill, based on a home with a market value of \$ 150,000.

The overall budget appropriations for the town, which includes all funds, will be \$4,632,896. The amount to be raised by taxes will be \$ 2,245,801. That amount includes the general fund town wide, general fund town outside village, highway funds, water districts, fire protection district, refuse and garbage district, drainage and sewer districts.

The general fund tax will be 1.309683 (\$ 1.376286 in 2013) per \$ 1000 taxable valuation. The fire protection district tax rate will be 1.198387 (\$ 1.200889 in 2013). The drainage tax will remain the same as 2013 at \$ .09 per \$ 1000 taxable valuation. Water district rates will vary but stay close to the same as last year depending on the district. The flat yearly rate for refuse will be \$ 156.60 ( \$153.5284 in 2013). A complete detailed budget and summary of estimated tax rates can be found in the tentative budget. The hearing on the budget is scheduled for Monday, October 28, 2013 at 7:45 p.m.

Sincerely,

David L. Cummings  
Supervisor - Town of Newstead